

Forty-eighth Legislature
Second Regular Session

COMMITTEE ON PUBLIC INSTITUTIONS AND RETIREMENT

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2062

(Reference to printed bill)

1 Page 1, line 22, after the second comma strike remainder of line; strike lines 23,
2 24 and 25; line 26, strike "*(ii)*"
3 Page 2, strike line 1 and 2, insert:
4 "(b) Effective July 1, 1985, the monthly"
5 Line 12, strike "~~This subdivision applies only~~"
6 Strike lines 13 through 27, insert "This subdivision applies only to members
7 whose membership in ASRS was effective after December 31, 1983 or who agree
8 in writing as a binding condition of eligibility for being granted the
9 benefit advantages available under this subdivision to have their benefit
10 computed on the basis of the definition of compensation."
11 Page 3, line 19, strike "full" insert "*TYPICAL*"; after "period" insert "*AMOUNT*"
12 Line 21, after "38-743." insert ", *38-744*"; after the period insert "*THE TYPICAL*
13 *PAY PERIOD AMOUNT SHALL BE DETERMINED BY TAKING THE FIVE PAY PERIODS*
14 *IMMEDIATELY PRIOR TO THE DATE OF REQUEST, DISREGARDING THE HIGHEST AND LOWEST*
15 *COMPENSATION AMOUNT PAY PERIODS AND AVERAGING THE THREE REMAINING PAY*
16 *PERIODS.*"
17 Line 22, after "year" insert ", *DISREGARDING THE FIRST COMPENSATION AMOUNT PAY*
18 *PERIOD,*"
19 Lines 24, 27 and 30, after "38-743" insert ", *38-744*"
20 Page 5, line 17, strike "*FOR A MEMBER WHOSE MEMBERSHIP COMMENCED BEFORE*
21 *JULY 1, 2009,*"
22 Line 19, after the period strike remainder of line; strike lines 20 and 21
23 Page 6, strike lines 5 through 43, insert:
24 "Sec. 2. Section 38-714, Arizona Revised Statutes, is amended to read:
25 *38-714. Powers and duties of ASRS and board*
26 A. ASRS shall have the powers and privileges of a corporation, shall
27 have an official seal and shall transact all business in the name "Arizona
28 state retirement system", and in that name may sue and be sued.
29 B. The board is responsible for supervising the administration of this
30 article by the director of ASRS, except the investment powers and duties of
31 investment management.

1 C. The board is responsible for the performance of fiduciary duties
2 and other responsibilities required to preserve and protect the retirement
3 trust fund established by section 38-712.

4 D. The board shall:

5 1. Prescribe investment goals, objectives and policies that are
6 consistent with the purposes of this article and the limitations and standard
7 of care prescribed in section 38-719, subsection B.

8 2. Allocate assets to meet the investment goals, objectives and
9 policies it prescribes.

10 3. Adopt specific policy directives for the guidance of investment
11 management.

12 4. Meet with each investment manager at least annually or at the
13 request of a board member to review the investment manager's performance and
14 the investment manager's attainment of and adherence to the board's
15 investment goals, objectives and policies.

16 E. The board shall not advocate for or against legislation providing
17 for benefit modifications, except that the board shall provide technical and
18 administrative information regarding the impact of benefit modification
19 legislation.

20 F. The board may:

21 1. Determine the rights, benefits or obligations of any person under
22 this article and afford any person dissatisfied with a determination a
23 hearing on the determination.

24 2. Determine the amount, manner and time of payment of any benefits
25 under this article.

26 3. Assign, transfer and deliver all stocks, bonds and other
27 investments owned by ASRS if it is not inconsistent with or does not in any
28 way contravene the authority of investment management for investing,
29 reinvesting, purchasing and selling stocks, bonds and other investments.

30 4. Recommend amendments to this article and articles 2.1 and 7 of this
31 chapter that are required for efficient and effective administration.

32 5. Adopt, amend or repeal rules for the administration of **THE PLAN**,
33 this article **AND ARTICLES 2.1 AND 7 OF THIS CHAPTER**.

34 6. Prescribe investment diversification programs and assign investment
35 management responsibilities regarding those programs as it deems appropriate
36 to achieve its investment goals, objectives and policies.

1 G. The board shall submit to the governor and legislature for each
2 fiscal year no later than eight months after the close of the fiscal year a
3 report of its operations and the operations of ASRS. The report shall follow
4 generally accepted accounting principles and generally accepted financial
5 reporting standards and shall include:

- 6 1. A report on an actuarial valuation of ASRS assets and liabilities.
7 2. Any other statistical and financial data that may be necessary for
8 the proper understanding of the financial condition of ASRS and the results
9 of board operations.

10 3. On request of the governor or the legislature, a list of
11 investments owned. This list shall be provided in electronic format.

12 H. The board shall:

13 1. Prepare and publish a synopsis of the annual report for the
14 information of ASRS members.

15 2. Contract for a study of the mortality, disability, service and
16 other experiences of the members and employers participating in ASRS. The
17 study shall be conducted for fiscal year 1990-1991 and for at least every
18 fifth fiscal year thereafter. A report of the study shall be completed
19 within eight months of the close of the applicable fiscal year and shall be
20 submitted to the governor and the legislature.

21 3. Conduct an annual actuarial valuation of ASRS assets and
22 liabilities.

23 I. The auditor general may make an annual audit of ASRS and transmit
24 the results to the governor and the legislature."

25 Page 7, lines 6 and 23, strike "OR B"

26 Page 8, line 6, strike "\$1,342,000" insert "\$763,319"

27 Amend title to conform

and, as so amended, it do pass

MARIAN A. McCLURE
Chairman

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